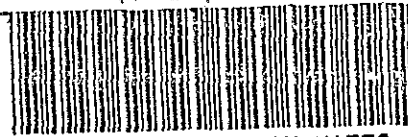


RECORDING REQUESTED BY:

The Housing Authority of  
the county of San Mateo County  
47 Midway Drive  
Daly City, California 94014-3327

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control  
Berkeley Office  
700 Heinz Avenue, Suite 200  
Berkeley, California 94710  
Attention: Barbara Cook, Chief  
Northern California  
Coastal Cleanup Operations Branch



OFFICIAL RECORDS OF SAN MATEO COUNTY  
ASSESSOR-COUNTY CLERK-RECORDER  
WARREN SLOCUM

Recorded at Request of  
SAN MATEO COUNTY HOUSING AUTHORITY

98-154643 09/24/98 09:43

Recording Fee:                      RKORWEK

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY

ENVIRONMENTAL RESTRICTION

Re: Midway Village Capped Area, Daly City, California  
Assessors Parcel Numbers (APN) 005-330-250, 005-330-260, 005-330-270, 005-330-340,  
005-330-350, 005-330-360, 005-330-370 and 005-330-380

This Covenant and Agreement ("Covenant") is made by and between the Housing Authority of the County of San Mateo (the "Covenantor"), the current owner of property situated in Daly City, County of San Mateo, State of California, described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and the Department of Toxic Substances Control (the "Department"). Pursuant to Civil Code section 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code ("H&SC") section 25260. The Covenantor and the Department, collectively referred to as the "Parties", hereby agree that the use of the Property be restricted as set forth in this Covenant.

ARTICLE I  
STATEMENT OF FACTS

1.01. The Property, totaling approximately 1 acres is more particularly described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference. The Property is located in the area along Cypress Lane and Cypress Court in Midway Village, County of San Mateo, State of California. This property is more specifically described as San Mateo County Assessor's Parcel No.(s): 005-330-250, 005-330-260, 005-330-270, 005-330-340, 005-330-350, 005-330-360, 005-330-370 and 005-330-380.

1.02. The Property is a portion of a larger property (the Midway Village Complex) that has been remediated pursuant to a Remedial Action Plan pursuant to Chapter 6.8 of Division 20 of the H&SC, under the supervision and authority of the Department. The Remedial Action Plan provides that a deed restriction be required as part of the site remediation. The Department circulated the Remedial Action Plan, which contains a Final Health Risk Assessment, together with a draft negative declaration pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq. for public review and comment. The Remedial Action Plan and the negative declaration, were approved by the Department on August 13, 1993. Remediation includes installing and maintaining patios, an asphalt parking lot, sidewalks, and landscaped areas of clean fill ("Cap") over the Property. The operation and maintenance of the Cap is pursuant to an Operation and Maintenance Plan, approved by the Department on November 6, 1995, and incorporated into the Imminent and Substantial Endangerment Order by the Department on November 9, 1995.

1.03. As detailed in the Final Public Health and Environmental Evaluation (July 1993), a portion of the subsurface soils of the Property contain hazardous substances, as defined in H&SC section 25316. The Department concluded that the Property, as remediated, and subject to the restrictions of this Covenant, does not present an unacceptable threat to human safety or the environment, if used in a manner as to avoid potential harm from hazardous substances which have been encapsulated on the Property.

ARTICLE II  
DEFINITIONS

2.01. Department. "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

ARTICLE III  
GENERAL PROVISIONS

3.01. Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to H&SC section 25355.5(a)(1)(C) and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and is enforceable by the Department, and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to H&SC section 25355.5(a)(1)(C), this Covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of the Department.

3.03. Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by H&SC section 25359.7.

3.04. Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property.

3.05. Conveyance of Property. The Owner shall provide notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

#### ARTICLE IV RESTRICTIONS

4.01. Prohibited Uses. The Property shall not be used for any of the following purposes:

- (a) Development other than multiple family residential use in conformance with the local zoning code of R3 Multiple Family Residential.

4.02. Soil Management. Covenantor agrees:

- (a) No activities that will disturb the soil (e.g., excavation, grading, removal, trenching, filling, substantial earth movement or mining) shall be allowed on the Property without a Soil Management Plan and a Health and Safety Plan approved by the Department.
- (b) Any contaminated soils brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of state and federal law.

- (c) A sign shall be posted in the Midway Village office in English and Spanish stating that no grading, excavation or construction activities, excluding routine operation and maintenance, can occur on the Property without written permission of the Department.

4.03. Prohibited Activities. The following activities shall not be conducted at the Property:

- (a) Raising of food (cattle, food crops) other than in above-ground planter boxes.;
- (b) Drilling for drinking or irrigation water, oil, or gas.

4.04. Non-Interference with Cap. Covenantor agrees:

- (a) Activities that may disturb the Cap (e.g. excavation, grading, removal, trenching, filling, earth movement, or mining) shall not be permitted on the Property without prior review and approval by the Department.
- (b) All uses and development of the Property shall preserve the integrity of the Cap.
- (c) The Cap shall not be altered without written approval by the Department.
- (d) Covenantor shall notify the Department of each of the following: (i) the type, cause, location and date of any damage to the Cap and (ii) the type and date of repair of such damage. Notification to the Department shall be made as provided below within ten (10) working days of both the discovery of any such disturbance and the completion of any repairs. Timely and accurate notification by any Owner or Occupant shall satisfy this requirement on behalf of all other Owners and Occupants.

4.05. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

4.06. Notice in Agreements. Owner shall give all purchasers, lessees, and tenants a written notice containing the following statement:

"The land described herein contains hazardous substances. Such condition renders the land and the owner, lessee, or other possessor of the land subject to requirements, restrictions, provisions and liabilities contained in Chapters 6.5 and 6.8 of Division 20 of the California Health and Safety Code. This statement is not a declaration that a hazard exists."

## ARTICLE V ENFORCEMENT

5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner modify or remove any improvements ("Improvements" herein shall mean all buildings, roads, driveways, and paved parking areas) constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

## ARTICLE VI VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233.

6.02 Termination. Covenantor, or any other aggrieved person, may apply to the Department for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.03 Term. Unless ended in accordance with the Termination paragraph above, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII  
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. Department References. All references to the Department include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of San Mateo within ten (10) days of the Covenantor's receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Covenantor:  
Housing Authority of the  
County of San Mateo  
264 Harbor Boulevard  
Belmont, California 94002-4017  
Attention: Director

To Department:  
Department of Toxic Substances Control  
Berkeley Office  
700 Heinz Avenue, Suite 200  
Berkeley, California 94710  
Attention: Barbara Cook, Chief  
Northern California  
Coastal Cleanup Operations Branch

Copy to:  
Midway Village Office  
47 Midway Drive  
Daly City, California 95014  
Attn: Director

Copy to:  
Peter Finck, Deputy County Counsel  
San Mateo County  
Hall of Justice and Records  
400 County Center  
Redwood City, California 94063-1662

Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.05. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.06 Statutory References. All statutory references include successor provisions.  
IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: Housing Authority of the County of San Mateo

By:

Maurice Dawson

Name: Maurice Dawson

Title: Executive  
Director, Housing Authority

Date: Sept. 17, 1998

Department of Toxic Substances Control

By:

Barbara J. Cook

Title: Barbara J. Cook, Chief

Northern California

Coastal Cleanup Operations Branch

Date: Sept 22, 1998

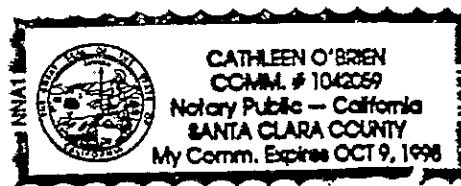


STATE OF CALIFORNIA

COUNTY OF ALAMEDA

On this 17<sup>th</sup> day of SEPTEMBER, in the year 1998, before me  
CATHLEEN O'BRIEN, a Notary Public in and for said state, personally  
appeared ~~MAURICE DAWSON~~ personally known to me or proved to me on the basis of satisfactory  
evidence to be the person whose name is subscribed to the within instrument and acknowledged to  
me that she executed the same in her authorized capacity, and that by her signature on the instrument  
the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature

Cathleen O'Brien

STATE OF CALIFORNIA

COUNTY OF SAN MATEO

On this 22nd day of September, in the year 1998, before me  
MARY ANN HARREL, a Notary Public in and for said state, personally  
appeared BART J. COOLE, personally known to me or proved to me on the basis of satisfactory  
evidence to be the person whose name is subscribed to the within instrument and acknowledged to  
me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the  
instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Mary Ann Harrel



TAX CODE AREA

11

PARTRIDGE ST.

ZONING

STREET

5-33

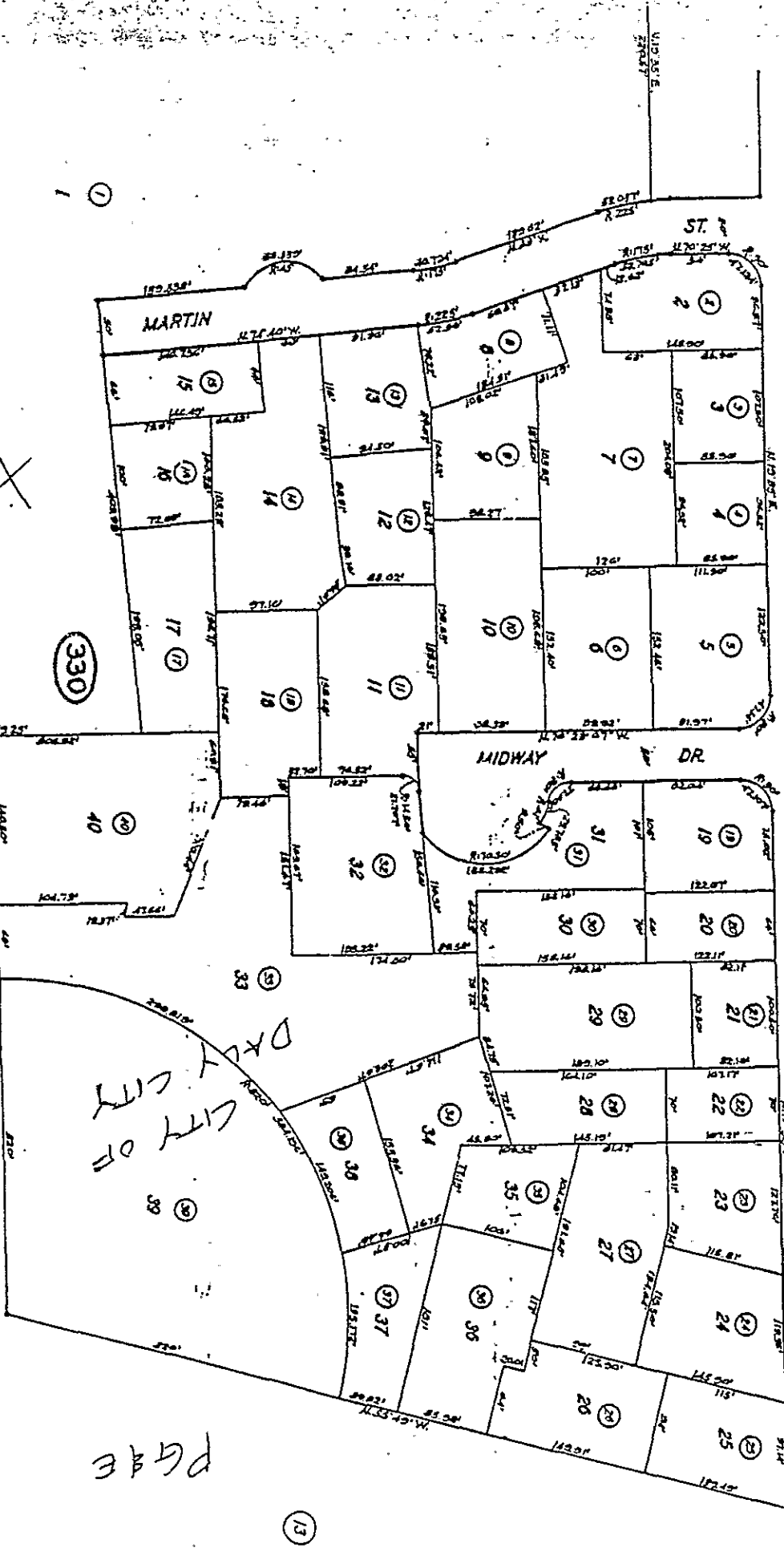
SCHMERN

ST. 2

MIDWAY DR

CITY OF  
DIXIE

PAGE



RECORDER'S OFFICE SAN MATEO COUNTY

91 44 2 TA 31 T 91 44 33 TA 40 T RW 5 13 134 23 A

RECORDING REQUESTED BY  
Housing Authority of the County  
of San Mateo  
456 Peninsula Ave.  
San Mateo, California  
94401  
60681A

same as above

97429AK  
RECORDED AT COUNTY CLERK'S OFFICE  
JULY 15 1977  
MARTIN CHURCH, RECORDER  
SAN MATEO COUNTY  
OFFICIAL RECORDS

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

Documentary Transfer Tax is \$ NONE  
Realty Not Sold

Founders Title Company

### Corporation Grant Deed

TO 408 CA (7-68)

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

W. R. GRACE PROPERTIES, INC.

a corporation organized under the laws of the state of New York  
hereby GRANTS to

HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO, A PUBLIC BODY,  
CORPORATE AND POLITIC OF THE STATE OF CALIFORNIA

the following described real property in the City of Daly City  
County of San Mateo State of California:

All real property improvements located or installed upon that real property  
described in Exhibit "A" hereto which Exhibit "A" is hereby incorporated by  
reference.

In Witness Whereof, said corporation has caused its corporate name and seal to be affixed hereto and this instru-  
ment to be executed by its Exec. Vice President and Assistant Secretary  
thereunto duly authorized.  
Dated: March 15, 1977

STATE OF CALIFORNIA }  
COUNTY OF Orange } ss.  
On March 17, 1977 before me, the under-  
signed, a Notary Public in and for said State, personally appeared  
Frank W. Carr known  
to me to be the Exec. Vice President, and  
E.H. Vail, Jr. known to me to be  
Asst. Secretary of the Corporation that executed the  
within instrument, known to me to be the persons who executed the  
within instrument on behalf of the Corporation therein named, and  
acknowledged to me that such Corporation executed the within instru-  
ment pursuant to its by-laws or a resolution of its board of directors.  
WITNESS my hand and official seal.

Signature Doris N. Fowler  
Doris N. Fowler  
Name (Typed or Printed)

W. R. GRACE PROPERTIES, INC.  
By Frank W. Carr, Exec. Vice President  
By E.H. Vail, Jr., Assistant Secretary

OFFICIAL SEAL  
DORIS N. FOWLER  
NOTARY PUBLIC CALIFORNIA  
PRINCIPAL OFFICE IN  
ORANGE COUNTY  
My Commission Expires July 4, 1979

Title Order No.

Escrow or Loan No.

MAIL TAX STATEMENTS AS DIRECTED ABOVE

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97429AK

RW 5 13 134 25 A RW 91 44 1 T RW 5 14 141 13 A RW 5 14 141 11 A

DESCRIPTION:

All that certain real property situate in the City of Daly City, County of San Mateo, State of California, described as follows:

PARCEL ONE:

Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38, 39 and 40,

as designated on the map entitled, "MIDWAY VILLAGE", which map was filed in the office of the Recorder of the County of San Mateo, State of California, on July 26, 1976 in Book 91 of Maps at Pages 44, 45, 46, 47 and 48, inclusive.

PARCEL TWO:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel.

Beginning at a point on the center line of Main Street, distant thereon South 70° 25' East 840.30 feet from the point of intersection of said center line with the Southerly production of the Easterly line of Schwerin Street, said streets are shown upon "MAP OF THE PARTRIDGE TRACT, VISITACION VALLEY, SAN MATEO COUNTY", filed in Book 12 of Maps, Page 76, in the office of the Recorder of the County of San Mateo, State of California, running thence South 70° 25' East along said center line of Main Street 263 feet; thence South 15° 46' West 10.02 feet to a line parallel with perpendicularly distant 10 feet, Southerly from said center line of Main Street; thence North 70° 25' West parallel with said center line 263.67 feet to a point perpendicularly distant 840.30 feet, Easterly from said Easterly line of Schwerin Street; thence North 19° 35' East 10 feet to the point of beginning.

Except all existing easements and servitudes, which are not to be disturbed.

PARCEL THREE:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel.

Beginning at a point on the center line of Main Street, distant thereon South 70° 25' East 730 feet from the point of intersection of said center line with the Southerly production of the Easterly line of Schwerin Street as said streets are shown upon "MAP OF THE PARTITION OF THE PARTRIDGE TRACT, VISITACION VALLEY, SAN MATEO COUNTY", filed in Book 12 of Maps at Page 76, in the office of the Recorder of the County of San Mateo, State of California; running thence North 19° 35' East parallel with said Easterly line of Schwerin Street 10 feet; thence South 70° 25' East parallel with said center line of Main Street 422.63 feet; thence South 15° 46' West 20.04 feet to a point perpendicularly distant 10 feet Southerly from said center line of Main Street; thence North 70° 25' West 50 feet; thence North 15° 46' East 10.02 feet to the center line of Main Street; thence North 70° 25' West along said center line 373.30 feet to the point of beginning.

Except all existing easements and servitudes, which are not to be disturbed.

PARCEL FOUR:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel.

Beginning at a point on the center line of Main Street, distant thereon South 70° 25' East 1153.30 feet from the point of intersection of said center line with the Southerly production of the Easterly line of Schwerin Street as said streets are shown upon "MAP OF THE PARTITION OF THE PARTRIDGE TRACT, VISITACION VALLEY, SAN MATEO COUNTY", filed in Book 12 of Maps, Page 76, in the office of the Recorder of the County of San Mateo, State of California, running thence North 15° 46' East 10.02 feet to a point perpendicularly distant 10 feet Northerly from said center line of Main Street; thence South 70° 25' East 226.34 feet; thence South 55° 42' East 406.24 feet to the Northerly production of the Easterly line of the lands described in the Deed from Anna Kennel to Pacific Bone, Coal and Fertilizing Company, dated January 28, 1929, recorded February 19, 1929, in Book 395, Page 282, Official Records; thence South 19° 35' West along said Easterly line so produced, 10.34 feet to the center line of Main Street; thence along said center line North 55° 42' West 407.58 feet and North 70° 25' West 222.68 feet; thence South 19° 35' West 10 feet; thence North 70° 25' West 1.33 feet; thence North 15° 46' East 10.02 feet to the point of beginning.

Except all existing easements and servitudes, which are not to be disturbed.

PARCEL FIVE:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel.

Beginning at a point on the center line of Main Street, as shown upon the map above referred to; distant thereon South 70° 25' East 1153.30 feet from its intersection with the Easterly line of Schwerin Street; running thence South 70° 25' East along said center line of Main Street 170 feet; thence South 19° 35' West 10 feet; thence North 70° 25' West 170 feet; thence North 19° 35' East 10 feet to the point of beginning.

Except all existing easements and servitudes, which are not to be disturbed.

PARCEL SIX:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel.

Beginning at a point on the center line of Main Street, distant thereon South 70° 25' East 1325.30 feet from the point of intersection of said center line with the Southerly production of the Easterly line of Schwerin Street, said Streets are shown upon "MAP OF THE PARTRIDGE TRACT, VISITACION VALLEY, SAN MATEO COUNTY", filed in Book 12 of Maps, Page 76, in the office of the Recorder of the County of San Mateo, State of California, running thence South 70° 25' East along said center line of Main Street 52.68 feet and South 55° 42' East 407.58 feet to the most Easterly corner of the lands described in Deed from Anna Kennel, also known as Mrs. Joseph Kennel, a widow, to Pacific Bone, Coal and Fertilizing Company, a corporation, dated January 28, 1929 and recorded February 19, 1929 in Book 395, Page 282, Official Records; thence South 19° 35' West 10.34 feet to a point perpendicularly distant 10 feet Southerly from said center line of Main Street; thence parallel with said center line North 55° 42' West 408.92 feet and North 70° 25' West 51.39 feet to a point perpendicularly distant 1325.30 feet Easterly from said Easterly line of Schwerin Street; thence North 19° 35' East 10 feet to the point of beginning.

Except all existing easements and servitudes, which are not to be disturbed.



PARCEL SEVEN:

A Perpetual Easement to construct, operate, maintain and repair a sewer line over a following Parcel:

Beginning at a point on the center line of Main Street, distant thereon South 55° 42' East 407.58 feet, from the first angle point in the center of Main Street Easterly from Schwerin Street (said point of beginning also being at the most Easterly corner of lands, described in Deed from Anna Kennel, also known as Mrs. Joseph Kennel, a widow to Pacific Bone, Coal and Fertilizing Company, a corporation, dated January 28, 1929, and recorded February 19, 1929 in Book 395, Page 282, Official Records; then running thence North 19° 35' East along the Northerly production of the Easterly line of said property described in the deed above referred to, a distance of 10.34 feet to a point perpendicularly distant 10 feet Northerly from said center line of Main Street; thence South 55° 42' East parallel with said center line 186.12 feet to a point on the Westerly right-of-way line of Bay Shore Highway (Route 68, State Highway); thence Southerly along said Westerly right-of-way line of said Bay Shore Highway along the arc of a curve to the left, the center of which bears North 73° 52' 28" East 1485 feet from the last mentioned point, with a radius of 1485 feet, a central angle of 1° 06' 38", a distance of 28.783 feet to a line parallel with and perpendicularly distant 10 feet Southwesterly from the center line of said Main Street; thence North 55° 42' West parallel with said center line of Main Street 201.56 feet to said Easterly line of the lands described in the Deed above referred to; thence North 19° 35' East along said Easterly line 10.34 feet to the point of beginning;

Except all existing easements or servitudes, which are not to be disturbed.

PARCEL EIGHT:

A Perpetual easement for drainage purposes over the following described Parcel:

Beginning at a point which is perpendicularly distant 730 feet Easterly from the Easterly line of Schwerin Street and also perpendicularly 344.45 feet Northerly from the Northerly line of Main Street, as said Schwerin and Main Streets are shown on "MAP OF THE PARTRIDGE TRACT, VISITACION VALLEY, SAN MATEO COUNTY", filed in Book 12 of Maps, Page 76, in the office of the Recorder of the County of San Mateo, State of California; running thence North 19° 35' East parallel with said Easterly line of Schwerin Street 50 feet; thence South 70° 25' East parallel with said Northerly line of Main Street 236 feet; thence South 19° 35' West parallel with said Easterly line of Schwerin Street 50 feet; thence North 70° 25' West 236 feet to the point of beginning.

Except all existing easement and servitudes, which are not to be disturbed, and the right of Pacific Gas and Electric Company to maintain and operate the existing railway spur track, and appurtenances thereto, including the underground control cable and 2-inch water line.

Ap 005132-220